

## Message Text

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PAGE 01 OECD P 12346 01 OF 02 212011Z

72

ACTION EUR-25

INFO OCT-01 EA-11 IO-14 ISO-00 AS-01 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NEA-14 NSAE-00 RSC-01

OPIC-12 SP-03 TRSE-00 CIEP-02 LAB-06 SIL-01 SWF-02

OMB-01 HEW-08 CU-04 AEC-11 DODE-00 FEA-02 FPC-01 H-03

INT-08 L-03 NSC-07 PM-07 SAM-01 SCI-06 SS-20 STR-08

PA-04 PRS-01 USIA-15 DRC-01 /249 W  
----- 110635

P R 211928Z MAY 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 2757

INFO AMEMBASSY CANBERRA

AMEMBASSY OTTAWA

AMEMBASSY HELSINKI

AMEMBASSY BONN

AMEMBASSY DUBLIN

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY OSLO

AMEMBASSY LISBON

AMEMBASSY MADRID

AMEMBASSY STOCKHOLM

UESEBQ/AMEMBASSY BERN 2899

AMEMBASSY LONDON

USMISSION GENEVA

USMISSION EC BRUSSELS

AMEMBASSY PARIS

UNCLAS SECTION 01 OF 02 OECD PARIS 12346

DEPT PASS FMCS AND WHITE HOUSE FOR USERY; LABOR FOR  
SEGALL AND STEWART AND FASSER

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PAGE 02 OECD P 12346 01 OF 02 212011Z

E.O. 11652: N/A

TAGS: ELAB, OECD

SUBJECT: MSA INDUSTRIAL RELATIONS WORKING PARTY MEETING  
MAY 14-16

REF: A) MO(74)6 1ST REV. MAY 9 - MSAC 1975 WORK PROGRAM;  
B) USOECD 12045

1. SUMMARY: WP DISCUSSED GENERAL OUTLINE OF PROGRAM PROPOSALS FOR 1975 (REF A) AND ALSO HEARD TUAC AND BIAC VIEWS. SECRETARIAT WILL DRAFT DETAILED PROGRAM OF WORK FOR FALL MEETING (FIRST WEEK OF NOVEMBER; PRECISE DATES NOT SET) BY WHICH TIME MSAC IS EXPECTED TO HAVE CLARIFIED MAJOR WORK PROPOSALS ON MULTINATIONAL ENTERPRISES, ENERGY AND EMPLOYMENT, AND INFLATION AND COLLECTIVE BARGAINING. GASS INTRODUCED CONCEPT OF MORE ACTIVE ROLE OF WP IN IMPLEMENTING WORK PROGRAM INCLUDING LARGER INPUT FOR MEMBER GOVERNMENTS; THUS US HAS OPPORTUNITY TO PURSUE ITS PROGRAM INTERESTS AND TO CHANGE MODUS OPERANDI OF WP.

ACTION REQUESTED: US PROPOSALS ON EMPLOYMENT SECURITY AND MNE WILL BE PROMINENT AT JULY SESSION MSAC AND WASHINGTON AGENCIES MAY WISH TO ELABORATE THEM FURTHER. MISSION WOULD APPRECIATE TEXT OF ANY REVISIONS ASAP.  
END SUMMARY.

2. 1975 PROGRAM (REF A)

WP WAS NOT ENTHUSIASTIC ABOUT WORK ON INFLATION AND INCOME DISTRIBUTION PROPOSED PARA 9 REF A, BUT ACCEPTED REMAINDER OF 1975 PROPOSALS. AT NEXT MEETING SECRETARIAT WILL PRESENT DETAILED WORK PROGRAM WHICH WILL CATEGORIZE PROGRAM INTO PROJECTS IN WHICH WP HAS DIRECT AND ANCILLARY INTEREST. THE WP WILL ALSO CONSIDER THE MNE AND ENERGY/EMPLOYMENT PROPOSALS WHICH WILL BE TABLED AT JULY SESSION OF MSAC (REF B). DURING DISCUSSION GASS SAID HE EXPECTED WP TO DEVISE METHOD OF WORK WHICH WOULD PERMIT IT WITH HELP OF SECRETARIAT TO MEET REQUIREMENTS LAID DOWN BY COUNCIL; GASS SAID THIS MEANT RELATIVELY GREATER INPUT BY WP MEMBERS AND NATIONAL GOVERNMENTS AND IMPLIED A CHANGE FROM PRESENT "PASSIVE STYLE" OF WP. AUSTRALIAN REP COOK DOUBTED WP COULD ASSUME POSITIVE ROLE AS LONG AS IT MET ONLY TWICE A

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PAGE 03 OECD P 12346 01 OF 02 212011Z

YEAR; OTHER WP MEMBERS APPARENTLY ACCEPTED WP ROLE AS DEFINED BY GASS.

3. TUAC COMMENTS ON 1975 PROGRAM  
IN CUSTOMARY PRE-MEETING CONSULTATION, TUAC FOCUSED ON POSSIBLE WP CONTRIBUTION TO EXERCISE ON MNES. MAJOR POINT OF TUAC PRESENTATION WAS DEMAND FOR ENFORCEABLE CODE OF CONDUCT FOR NES IN CONTEXT OF PARA 22

REF A WHICH CALLS FOR "GUIDELINES FOR GOVERNMENT POLICY AND/OR STANDARD OF BEHAVIOR BY MULTINATIONAL ENTERPRISES". TUAC SECRETARY GENERAL HENRI BERNARD SAID "MORAL RECOMMENDATION" WITHOUT ENFORCEMENT PROVISION WOULD DO MORE HARM THAN GOOD, AND THAT GOVERNMENT POLICY SHOULD AIM AT ASSURING EQUALITY OF BOTH SIDES IN COLLECTIVE BARGAINING. HE SUGGESTED WP CONSIDER NEED FOR "PUBLIC ACCOUNTABILITY" BY REQUIRING MNES TO OPEN THEIR FINANCIAL ACCOUNTS; HE SAID THIS WOULD FACILITATE INTERNATIONAL COLLECTIVE BARGAINING, ENFORCEMENT OF TAX LAWS AND EXCHANGE CONTROLS, AND BETTER UNDERSTANDING AND CONTROL OF MNE PRICING POLICIES. BERNARD SAID GOVERNMENTS SHOULD ADOPT "SOCIAL CLAUSES" IN THEIR POLICY GOVERNING MERGERS AND TAKEOVERS IN ORDER TO GIVE WORKERS PROTECTION EQUIVALENT TO THAT CURRENTLY ENJOYED BY STOCKHOLDERS. HE URGED EXAMINATION OF GOVERNMENT INCENTIVES FOR FOREIGN IN-

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PAGE 01 OECD P 12346 02 OF 02 212016Z

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UNCLAS SECTION 02 OF 02 OECD PARIS 12346

DEPT PASS FMCS & WHITE HOUSE FOR USERY; LABOR FOR SEGALL  
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VESTMENT WHICH ENCOURAGE POOR INDUSTRIAL RELATIONS  
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PAGE 02 OECD P 12346 02 OF 02 212016Z

PRACTICES SUCH AS LIMITATION ON RIGHT TO STRIKE. IN  
THIS CONTEXT HE CITED ALLEGED FRG PROHIBITION OF  
SYMPATHY STRIKES.

4. BIAC COMMENTS ON 1975 PROGRAM (PARAGRAPHS REFER  
TO REF A)

BIAC REMARKS WERE MORE DETAILED AND CRITICAL THAN TUAC.  
ON EMERGENCY DISPUTES (PARA 35) BIAC FELT WIDELY  
DIFFERENT NATIONAL SITUATIONS MADE IT UNWISE FOR WP  
TO COME TO CONCLUSIONS OR RECOMMENDATIONS, ESPECIALLY  
IN CONTROVERSIAL AREAS SUCH AS ARBITRATION AND RIGHT  
TO STRIKE IN PUBLIC SECTOR. BIAC THOUGHT WP SHOULD  
FOCUS ON EMPLOYMENT ASPECTS OF ENERGY CRISIS (PARA L4).  
ON MNE PROPOSALS (PARA 22) BIAC OPPOSED CODE OF CONDUCT  
FOR MNES, ESPECIALLY SINCE IT NOT LIKELY TO INCLUDE  
SIMILAR GUIDELINES FOR TRADE UNIONS. IT SOUGHT AND  
GOT SECRETARIAT ASSURANCE THAT WP WOULD NOT DUPLICATE  
ILO PROGRAM ON NES. BIAC SUGGESTED WORK ON IMPACT  
OF INFLATION ON WAGES (PARA 29) SHOULD CONSIDER EFFECT  
OF PROGRESSIVE TAX STRUCTURE ON RISING WAGES WHICH  
BIAC SAID RESULTED IN HIGHER COST TO EMPLOYER WITHOUT  
INCREASE IN REAL WAGES FOR WORKERS.

5. TUAC PRICE POLICY PAPER (MS/IR/74.22)

FRENCH-SPEAKING REPS NOT ABLE TO PARTICIPATE IN DIS-  
CUSSION BECAUSE FRENCH TEXT NOT AVAILABLE; JAPANESE  
ALSO RECEIVED DOCUMENT TOO LATE FOR CONSIDERATION.

FRG RESERVED POSITION ON GROUNDS THAT PAPER IGNORED  
GERMAN EXPERIENCE AND THAT WP NOT COMPETENT TO DISCUSS  
PRICE POLICY; WP AGREED WITH LATTER POINT AND DECIDED  
PAPER SHOULD BE PUT ON AGENDA OF MSAC JULY SESSION.

6. EMERGENCY DISPUTES

WP RECOMMENDED PUBLICATION AS SOON AS POSSIBLE OF  
AMENDED BAKER REPORT (MS/IR/73.56). SECRETARIAT AND  
BAKER WILL ALSO DRAFT SUMMARY OF WP DISCUSSION. WP  
FAVORED SIMILAR PROCEDURE FOR TWO OTHER PENDING STUDIES  
ON DISPUTES; THUS AFTER WP HAS CONSIDERED ALL THREE  
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PAGE 03 OECD P 12346 02 OF 02 212016Z

STUDIES, THE SUMMARIES OF ITS DISCUSSION WILL BE SUB-  
MITTED TO A GROUP OF EXPERTS WHICH WILL OUTLINE IMPLI-  
CATIONS OF USE BY GOVERNMENTS OF CERTAIN METHODS OF  
HANDLING DISPUTES. NEITHER EXPERTS NOR WP ARE EXPECTED  
TO MAKE POLICY RECOMMENDATIONS IN FIELD OF DISPUTES.  
BROWN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ENERGY, INFLATION, MEETING PROCEEDINGS, BUSINESS FIRMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Drafter:** n/a  
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**Errors:** N/A  
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**Previous Handling Restrictions:** n/a  
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30 JUN 2005

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**Subject:** MSA INDUSTRIAL RELATIONS WORKING PARTY MEETING MAY 14-16  
**TAGS:** ELAB, OECD, TUAC, BIAC, (GASS)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005